

STATE OF NORTH DAKOTA
BEFORE THE COMMISSIONER OF INSURANCE

In the Matter of)	
)	
Humana Insurance Company,)	CONSENT ORDER
FEIN 39-1263473,)	
)	FILE NO. CO-06-190
Respondent .)	

Commissioner of Insurance Jim Poolman (hereafter "Commissioner") has determined as follows:

1. The Commissioner has authority in this matter pursuant to NDCC Title 26.1.
2. Humana Insurance Company, FEIN 39-1263473 (hereinafter "Respondent"), is an insurance company organized and governed by the laws of North Dakota.
3. On June 7, 2006, the Commissioner was notified by Respondent that on May 4, 2006, a computer and carrying case containing 44 North Dakota resident Medicare applications with non-public personal financial information was stolen from a Respondent general agency employee's automobile while parked at the employee's personal residence overnight unlocked.
4. On June 13, 2006, the Commissioner was notified by Respondent that on May 23, 2006, Respondent was notified by the Centers for Medicare and Medicaid that a government employee had discovered a file containing non-public personal financial information including name, address, telephone number,

identification number, and Social Security number that belonged to Respondent on a guest services computer available to the public at a Baltimore Hotel. The file contained the non-public personal information of 82 North Dakota residents.

5. It is the Commissioner's position that allowing a non-affiliated entity access to an insurance consumer's non-public personal financial information violates NDAC Section 45-14-01-11.

6. NDAC Section 45-14-01-11 was adopted as authorized by NDCC Section 26.1-02-27.

7. NDCC Section 26.1-01-03.3 provides for an administrative penalty of up to \$10,000 for a violation of Title 26.1.

8. It is the Commissioner's position that Respondent's acts of allowing a non-affiliated third party to have access to the non-public personal financial information of a North Dakota customer violates NDAC Section 45-14-01-11 and NDCC Section 26.1-02-27.

9. Respondent may be subjected to an administrative penalty pursuant to NDCC Section 26.1-02-03.3.

10. Respondent has agreed to an informal disposition of this matter, without a hearing, as provided under NDCC Section 28-32-22.

11. For purposes of resolving this matter, without further administrative proceedings, Respondent and the Commissioner have agreed to enter into the following Order:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent will pay costs and expenses incurred by the Department of Insurance in the amount of \$50,000, which shall be paid within 30 days after the execution of this Order by Respondent.

2. Respondent will pay the cost of providing Equifax's Credit Watch Gold with 3-1 monitoring service for all affected North Dakota customers who request the service for one year from October 1, 2006 and will pay for coverage for an additional one year for an affected North Dakota customer if a confirmed identity theft incident occurs on that person's credit record.

3. Respondent will report the names of the consumers who request the Equifax credit monitoring service to the Commissioner monthly.

4. Respondent will revise its Privacy Policy to provide for notice to the Commissioner and to a consumer of a breach of the consumer's "non-public personal information," as defined by the Gramm Leach Bliley Act, within five business days after confirming the breach and confirming the identity of the customer involved in the breach and will provide a copy of the revised Privacy Policy to the Commissioner when finalized.

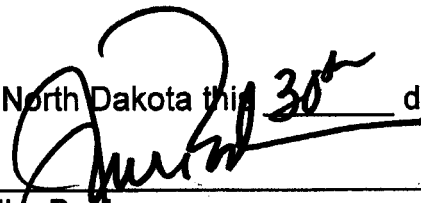
5. Respondent will assure that its contracts with its contracting insurance agencies provide for notice to Respondent of a breach of consumer's "non-public personal information," as defined by the Gramm Leach Bliley Act, within 24 hours of confirming the breach and confirming the identity of the customers involved in

the breach and will provide a copy of the revised contract to the Commissioner when finalized.

6. Respondent will provide the Commissioner with the results of its audit of all delegated agents regarding compliance with Respondent's Group Producing Agent Contract upon completion of the audits.

7. The use of this Consent Order for competitive purposes by an insurance producer or agency holding a license in the State of North Dakota, or by any company holding a Certificate of Authority, or by anyone on their behalf, may be deemed unfair competition and be grounds for suspension or revocation of said license or authority.

Dated at Bismarck, North Dakota this 30th day of October, 2006.



Jim Poolman
Commissioner of Insurance
State of North Dakota

CONSENT TO ENTRY OF ORDER

The undersigned, Stefan F. Brueckner, on behalf of Humana Insurance Company, states that he/she has read the foregoing Consent Order, that he/she knows and fully understands its contents and effect, that he/she has been advised of his/her right to be represented by legal counsel, his/her right to a hearing in this matter, his/her right to present evidence and arguments to the Commissioner, and his/her right to appeal from an adverse determination after hearing; and that by signing of this Consent to Entry of Order he/she waives those rights in their entirety, and consents to entry of this Order by the Commissioner of Insurance. It is further expressly understood that this Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either express or implied.

Dated this 23rd day of October, 2006.

Stefan F. Brueckner
Humana Insurance Company
By: Stefan F. Brueckner
Title: Vice President

Subscribed and sworn to before me
this 23rd day of October, 2006.

Catherine Mathes
Notary Public
My commission expires:



Catherine Mathes, Notary Public
State at Large
Kentucky
My Commission Expires Sept. 11, 2009